

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY FOR THE)	2010-00164
CONSTRUCTION OF TRANSMISSION FACILITIES)	
IN MCCRACKEN COUNTY, KENTUCKY)	

COMMISSION STAFF'S SECOND INFORMATION REQUEST
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before February 14, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU fails or

refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to Item 5 of Commission Staff's First Information Request.

a. Explain in detail the impact that TVA's retirement of Unit 10 at Shawnee will have on the analyses supporting the need for the proposed 161 kV transmission line from the Grahamville Substation to the Electric Energy, Inc. ("EEI") Transmission line.

b. Explain in detail the impact that American Municipal Power's addition of hydroelectric facilities on the Ohio River will have on the analyses supporting the need for the proposed 161 kV transmission line from the Grahamville Substation to the EEI Transmission line.

2. The direct testimony of Lonnie E. Bellar states at page 4 that KU's transmission service for the Electric Plant Board of the city of Paducah, Kentucky ("Paducah") is limited to 125 MW in the summer season, while the Motion for Full Intervention ("Motion") filed by Paducah states at page 2 that Paducah has a summer peak of 161 MW.

a. Does the entire 125 MW that KU is now able to transmit to Paducah flow on the existing 161 kV line from the Grahamville Substation to the DOE Substation? If not, explain in detail which KU lines the 125 MW flows on and the amount that flows on each line.

b. What are the line ratings for each existing KU line used to serve Paducah?

3. Paducah's Motion states at pages 2 and 3 that it is able to serve its summer peak load of 161 MW, despite KU's transmission limit of 125 MW, by acquiring the difference at a higher cost by special arrangement with TVA or by operating its natural gas peaking generation. What was the additional cost to Paducah to meet its load in the summer of 2010 due to KU's transmission limit of 125 MW?

4. a. Provide the 2010 summer peak load of the Princeton Electric Plant Board ("Princeton").

b. Describe the KU transmission lines used to serve this load.

c. Explain any transmission limits that prevent KU from serving Princeton's peak load.

d. If KU was unable to serve Princeton's 2010 peak load due to transmission limits, state KU's maximum transmission capacity for serving Princeton's peak load and explain how Princeton was able to meet its peak load.

e. Did Princeton incur additional costs to meet its 2010 summer load due to KU transmission limits? If so, how much additional cost was incurred?

f. What are the line ratings for each existing KU line used to serve Princeton?

5. Does KU agree that the transmission line proposed in this case is not needed for Paducah and Princeton to acquire power to reliably serve their customers but, rather, is needed for Paducah and Princeton to acquire power at a lower cost than the power they now acquire to serve their customers? If not, explain in detail why

Paducah and Princeton are not able to continue to reliably serve their customers as they did in 2010?

6. Does KU have a long-term contract for Network Integration Transmission Service (“NITS”) with Paducah and Princeton or with someone acting on their behalf? If so, for how many years is the contract? If not, for how many years does KU expect to provide NITS to Paducah and Princeton, or to someone acting on their behalf, and explain why there is no long-term contractual arrangement?

7. Refer to Item 12 of Commission Staff’s First Information Request. Based upon horizontal measurements, how close will the relocated mobile home be to the actual transmission line, and how close will the relocated mobile home be to the nearest transmission tower?

8. State the total amount of KU’s 2010 billings for NITS to Paducah and Princeton or to someone acting on their behalf. Assuming that the proposed transmission line is constructed at the estimated cost of \$17 million, provide an estimate of the amount of increase in KU’s annual billings for NITS to Paducah and Princeton, or to someone acting on their behalf, due to a combination of this additional transmission investment and the additional power transmitted to them.

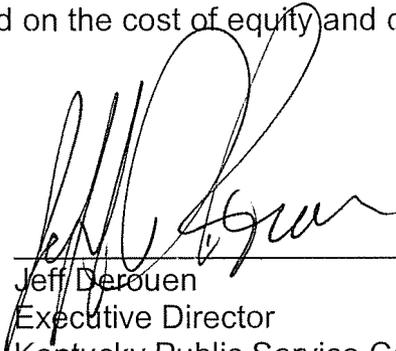
9. Refer to page 5 of the Report of Focused Review dated January 6, 2011. In the Power Flow Analyses, the information utilized in the study is now approximately three years old. Explain any changes that have occurred since that date that may affect any of the conclusions contained in the analyses.

10. Provide the complete load flow studies that show the results of the study utilizing the load flow one-line diagram (flow chart) with indication of line flow and line ratings.

11. What are the results of this study for base and contingency conditions if the most updated or current load flow model is utilized?

12. Does either Princeton or Paducah, as members of the Kentucky Municipal Power Agency, have any future obligations to purchase power from Prairie State, Smithland, Cannelton, or any of American Municipal Power's other generation projects? If so, describe and include copies of any contracts.

13. Assuming that the proposed transmission line is constructed at the estimated cost of \$17 million, provide a schedule showing the calculation of KU's annual revenue requirement for this investment, based on the cost of equity and debt utilized in KU's last rate case.



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DATED **FEB 02 2011**

cc: Parties of Record

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